

INVOICE

File No.:

Invoice Date: 7/13/2010

client-NeighborWorks Dakota Home Resources
Deadwood
SD 57732

Borrower: NeighborWorks Dakota Home Resources

Invoice #:
Order Date:
Reference/Case #: rcne,lotlemmon
PO Number:

Property Address: 706 Lemmon Avenue
Rapid City, SD 57747

lot -land appraisal	\$	350.00
discount-	\$	-100.00
	\$	_____

Invoice Total	\$	250.00
State Sales tax @ 6 %	\$	15.00
Deposit	(\$)
Deposit	(\$	_____)
Total Amount Due:	\$	265.00

Terms:

Please make checks payable to:

Homestead Appraisal Inc.
25229 Pinto Lane
Custer, SD 57730

LAND APPRAISAL REPORT

File No. _____
Case No. rcne,lotcommon

Borrower NeighborWorks Dakota Home Resources Census Tract 0102.00 Map Reference None
 Property Address 706 Lemmon Avenue
 City Rapid City County Pennington State SD Zip Code 57701-1230
 Legal Description North Rapid Block 25 Lots 19 & 20
 Sale Price \$ Mkt Value Date of Sale none Loan Term n/a yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ TBD (yr) Loan Charges to be paid by seller \$ N/A Other Sales Concessions N/A
 Lender/Client client-NeighborWorks Dakota Home Resources Address Deadwood, SD 57732
 Occupant None Appraiser Jody Landgrebe Instructions to Appraiser market value

IDENTIFICATION

Location Urban Suburban Rural
 Built Up Over 75% 25% to 75% Under 25%
 Growth Rate Fully Dev. Rapid Steady Slow
 Property Values Increasing Stable Declining
 Demand/Supply Shortage In Balance Oversupply
 Marketing Time Under 3 Mos. 3-6 Mos. Over 6 Mos.
 Present Land Use 60 % 1 Family 10 % 2-4 Family 5 % Apts % Condo 20 % Commercial
 % Industrial 5 % Vacant %
 Change In Present Land Use Not Likely Likely (*) Taking Place (*)
 (*) From vacant To SFR
 Predominate Occupancy Owner Tenant 5 % Vacant
 Single Family Price Range \$ 40,000 to \$ 250,000 Predominant Value \$ 90,000
 Single Family Age new yrs to 100+ yrs. Predominant Age 50 yrs

Employment Stability Good Avg. Fair Poor
 Convenience to Employment
 Convenience to Shopping
 Convenience to Schools
 Adequacy of Public Transportation
 Recreational Facilities
 Adequacy of Utilities
 Property of Compatibility
 Protection from Detrimental Conditions
 Police and Fire Protection
 General Appearance of Properties
 Appeal to Market

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): The neighborhood consist predominantly of middle aged average quality homes in the northeast portion of Rapid City. The area is has good appeal as the neighborhood is well maintained. Commercial use is noted along arterial streets with no adverse affect. Rapid City is a growing community with a population of approximately 65,000. (see addendum)

NEIGHBORHOOD

Dimensions 50 x 140 * .16 ac Corner Lot
 Zoning Classification LDR Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) Residential-single family
 Elec. Public Other (Describe) electric
 Gas
 Water City
 San. Sewer Public
 Underground Elect. & Tel.

SITE

OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface paved
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level
 Size Typical
 Shape Rectangular
 View none-neighborhood
 Drainage Adequate
 Is the property located in a HUD identified Special Flood Hazard Area? No Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): The subject is on a typical residential site with curb, gutter, and streetlights. Subject site is fronts a relatively quiet residential street with residential properties to the front, rear and sides. There is a neighborhood garden on the site. Any improvements with this garden are given no value as the highest and best use of the site is residential. No adverse conditions are noted (see addendum)

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

	SUBJECT PROPERTY	COMPARABLE NO.1	COMPARABLE NO.2	COMPARABLE NO.3
Address	706 Lemmon Avenue Rapid City, SD 57747	804 Haines Avenue Rapid City	229 Lindbergh Ave Rapid City	Lot 2 of Hosek sub on Midway Rapid City
Proximity to Subject			0.68 miles N	0.44 miles N
Sales Price	\$ Mkt Value	\$ 26,625	\$ 26,400	\$ 26,500
Price /	\$	\$	\$	\$
Data Source	Pub. Recs./insp		MLS 96769/Agt 341-4300	MLS 86733/agt 343-2700
Date of Sale and Time Adjustment	DESCRIPTION none	DESCRIPTION 9/22/10	DESCRIPTION 6/1/10	DESCRIPTION 6/27/08
Location	Average	Inferior +1,500	Average	Average
Site/View	.16 ac	.16 ac	.50 ac -1,700	.17 ac
lot topo	level	similar	similar	similar
utilities	city water/sewer	similar	similar	similar
Road access	Paved	Paved	paved	Paved
Improvements	none	None	none	none
Sales or Financing Concessions	None	None	None	None
Net Adj.(Total)	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 1,500		<input type="checkbox"/> Plus <input checked="" type="checkbox"/> Minus \$ -1,700	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 0
Indicated Value of Subject	Net=6% Gross=6% \$ 28,125		Net=-6% Gross=6% \$ 24,700	Net=0% Gross=0% \$ 26,500

Comments on Market Data The comps are considered the best comps available. Comp 1 is a fairly recent sale of a similar sized lot which has an inferior location as it fronts a busy street. Comp 2 is a recent sale of a larger lot which is located nearby. It is not known whether more than one home could be built on that lot, but it was sold as one parcel. (see adden)
 Comments and Conditions of Appraisal: No conditions other than those listed on the attached Statement of Limiting Conditions.

RECONCILIATION

Final Reconciliation: The market approach is considered the most reliable indicator of the estimated value. The cost approach is not relevant for bare land sales. The income approach to value was considered but not used as bare lots are generally purchased for predominantly owner occupied sfr's in this area.
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 7/5/10 to be \$ 27,000
 Appraiser(s) Jody Landgrebe Review Appraiser (if applicable) Did Did Not Physically Inspect Property
 Date Report Signed 7/13/2010 Date Report Signed _____
 State Certification # 832CR-2010 State SD State Certification # _____ State _____
 Or State License # _____ State _____ Or State License # _____ State _____
 Expiration Date of License or Certification 9/30/2010 Expiration Date of License or Certification _____

Homestead Appraisal Inc.
COMMENT ADDENDUM

File No.
Case No. rcne.lotlemmon

Borrower NeighborWorks Dakota Home Resources

Property Address 706 Lemmon Avenue

City Rapid City County Pennington State SD Zip Code 57747

Lender/Client client-NeighborWorks Dakota Home Resources Deadwood, SD 57732

COMMENTS ON NEIGHBORHOOD (CONT)

and the tourism industry are the largest employers in the area. Schools, shopping, parks are nearby and conveniently located within 5 minutes within the community.

SITE COMMENTS (CONT)

At the present time there is very little traffic noted on the road and within the subdivision. It is beyond the scope of this appraisal to determine the affect on value that any future changes in use of the surrounding and nearby land may have on the subject parcel.

The subject's highest and best use is as a primary residence, single family dwelling. The following four tests form the basis for determining the highest and best use of property: Physically Possible, Legally Permissible, Financially Feasible, Maximally Productive.

The appraiser's conclusion of highest and best use is also based on it's location, current zoning, conformity to surrounding land use, and the assumption that there are no hidden or unapparent conditions of the property that might impact upon its current use.

The appraiser made no verification of subject's site's buildability and the appraiser's conclusion of value is based on the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. The subdivision may have covenants or restrictions which also may restrict or impact the subject's buildability or use. Appraiser recommends due diligence be conducted through local building department to investigate buildability and whether property is suitable for intended use. Appraiser makes no representations, guarantees or warranties.

Appraiser cannot guarantee that the subject property is free of encroachments or easements. The site is served by typical public utilities of power, water, sewer and phone and is assumed to have typical utility easements. The boundaries of the lot may be visible and marked by stakes, monuments or fences, however the accuracy of these boundaries was not checked. A property line survey should be performed by local surveyor if more information or accuracy is desired.

FEMA Flood data: The FEMA flood hazard information on page 1 of this report, if available, cannot be guaranteed by the appraiser. The appraiser is not a qualified expert in the determination of flood hazards and makes no representation as to the FEMA Flood Zones or the necessity of flood insurance for the subject. Unless otherwise noted, Flood information noted in this report was obtained from FEMA data services online and boundaries may not be accurate. The user of this report is advised to obtain a separate independent flood certification for final determination of flood zones.

COMMENTS ON COMPARABLES (CONT)

Comp 3 is a similar sized lot which is located nearby. Comp 4 is a very recent sale of a larger lot. It is not known whether more than one home could be built on that lot, but it was sold as one parcel, zoned low density residential. Comp 5 is an older sale of a similar sized residential lot.

Comparable land sales indicate that lots in the area generally sell from \$11,000 to \$38,000 with the higher end in the newer subdivisions at the northern edge of town and the lower end appear to generally be difficult or unbuildable lots. Lot size adjustments or residential lots are generally not based on a per sq ft or per acre price, but generally based the amount of surplus land on one buildable lot. In general, largest portion of a lot's value is given to the building site and a smaller value for surplus land. The adjustment used for the market grid are at \$5,000/ac are made based on the market value of surplus land which generally is not subdividable and its value is based on the law of diminishing value as the excess acreage increases, it is worth less to the average residential buyer.

It is noted that the local MLS System data does not reliably report Seller paid closing costs or other concessions. Many real estate agents and brokers refuse to report this information to appraisers or any third party due to confidentiality or privacy concerns. Based on appraisers' file information where the purchase agreements have been reviewed, seller concessions of approximately 3% of purchase price are typical and accepted in this market as part of any transaction. Any known or reported unusual or atypical concessions which affected the sales price are noted and appropriate market adjustments are made.

RECONCILIATION:

The market approach is considered the most reliable indicator of the estimated value as it best reflects the reactions of typical buyers and sellers in a given market area. In this market area, there adequate reliable data to develop a credible result.

The cost approach was not developed as this is vacant land and the cost of construction is not applicable.

The income approach to value was considered but not developed on this report due to the lack of reliable data. Land in this area is generally not purchased for income purposes. And there is no available reliable data.

Electronic Signature This appraisal report was transmitted electronically by EDI or PDF format. I certify that the digital signature placed on this report originated with the person signing it and that it was not tampered with after the signature was applied. This digital signature has the same force and effect as a manual signature and complies with all Federal and State laws. This signature has been password protected and cannot be access by any other person or by any other means. Verification of Sales was done via MLS, Listing Agt, Selling Agt, Buyer, Seller of Public Records. As MLS is the most timely and verifiable source, the MLS number is given whenever possible as well as Listing agents number. Comparable sales photos are occasionally used from internet, mis files, or appraisers data files as this best depicts the condition of the comparable property at the time of its sale. Due to that, there may be a For Sale sign showing in the photo. The comparable property is physically inspected from the street at the time of the appraisal to determine if it is compatible with the subject. This complies with Fannie Mae underwriting guidelines

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser

Homestead Appraisal Inc.
COMMENT ADDENDUM

File No.
Case No. rcne,lotlemmon

Borrower NeighborWorks Dakota Home Resources
Property Address 706 Lemmon Avenue
City Rapid City County Pennington State SD Zip Code 57747
Lender/Client client-NeighborWorks Dakota Home Resources Address Deadwood, SD 57732

Scope of Work:

The appraisal Scope of Work is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the definitions found on prior pages of this report. The appraiser performed a visual inspection of the interior and exterior of the subject property. It is noted that this does not constitute a home inspection but only a visual observation of the features of the property in order to get a better understanding of the overall condition and features in comparison to other homes in the market.

The subject lot was viewed on 7/5/10 and appraiser walked around to lot to determine the general location of the boundaries as well as the size, layout, topography, landscaping and other relevant characteristics are noted in order to compare with other relevant properties.

Some of the boundaries of the lot were generally considered visible based on changes in landscaping and existing fences, however the accuracy or size of these boundaries was not measured or checked. If more information or accuracy is desired, a local surveyor should be contacted to determine the boundaries, the location of the improvements on the lot and location of any easements of record. Subject has public utilities and is assumed to have typical utilities easements. If more information regarding location of these or other easements of record is needed, interested parties should review the title report. The title report was not available to the appraiser for review and the appraiser cannot guarantee that the subject property is free of encroachments or easements and the boundaries of the lot were not verified.

Available data sources are consulted which include Real estate agents, local builders, local MLS information on-line, Public records information and maps at county offices or on-line. Information is analyzed and any discrepancies in information are reviewed and the most reliable source is used. Significant discrepancies are analysed and the date is not used if not considered reliable to the degree necessary for comparison purposes.

Information is reported by report method most often used by residential appraisers in this area and analysis is summarized in a format which is generally understandable by typical users of this report.

Homestead Appraisal Inc.
USPAP COMPLIANCE ADDENDUM

File No.
Case No. rcne,lotlemmon

APPRAISER'S CERTIFICATION:

The following Certification statements are in addition to and may supersede the signed Appraiser's Certification attached to this appraisal report. This Appraiser's Certification is compliant with the current edition of the Uniform Standards of Professional Appraisal Practice.

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have have not made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)

No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)

PURPOSE, INTENDED USE, AND INTENDED USER OF THE APPRAISAL:

The purpose of the appraisal is to estimate the market value of the subject property, as defined in this report, as of the effective date of this report. The intended use of the appraisal is to assist the client and any other intended users in the underwriting, approval, and funding of the mortgage loan. The intended users of this report are the stated client and any other institutions involved in the underwriting, approval, and funding of the mortgage loan. No one else, including the purchaser and seller, should rely on the estimate of value or any other conclusions contained in this appraisal report.

ANALYSIS AND REPORT FORM:

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals within the subject market area.

The original source of the comparable data described in the Data Source section of the market grid along with the source of confirmation provided, where available, the original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report or used as a basis for the value conclusion. The extent of the analysis to this assignment is stated in the Appraiser's Certification included above and attached to this report.

DEFINITION OF INSPECTION:

The term "inspection", as used in this report, is not the same level of inspection that is required for a "Professional Home Inspection". The appraiser does not fully inspect the electrical system, plumbing systems, mechanical systems, foundation system, floor structure, or subfloor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If the client needs a more detailed inspection of the property, a home inspection, by a Professional Home Inspector, is suggested.

DIGITAL SIGNATURES:

The signature(s) affixed to this report, and certification, were applied by the original appraiser(s) or supervisory appraiser and represent their acknowledgements of the facts, opinions and conclusions found in the report. Each appraiser(s) applied his or her signature electronically using a password encrypted method. Hence these signatures have more safeguards and carry the same validity as the individual's hand applied signature. If the report has a hand-applied signature, this comment does not apply.

OPINION OF MARKET VALUE VS ESTIMATE OF MARKET VALUE:

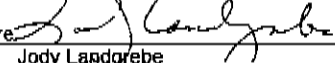
The current Uniform Standards of Professional Appraisal Practice defines the market value conclusion as an opinion of market value and not an estimate of market value.

THREE YEAR SALES HISTORY FOR THE SUBJECT PROPERTY:

The appraiser has complied with Standards Rule 1-5b and 2-2b (ix) requiring the appraiser to analyze and report all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal. If this information was available to the appraiser(s), it is reported in the subject column of Sales Comparison Analysis section of the appraisal report.

EXPOSURE PERIOD:

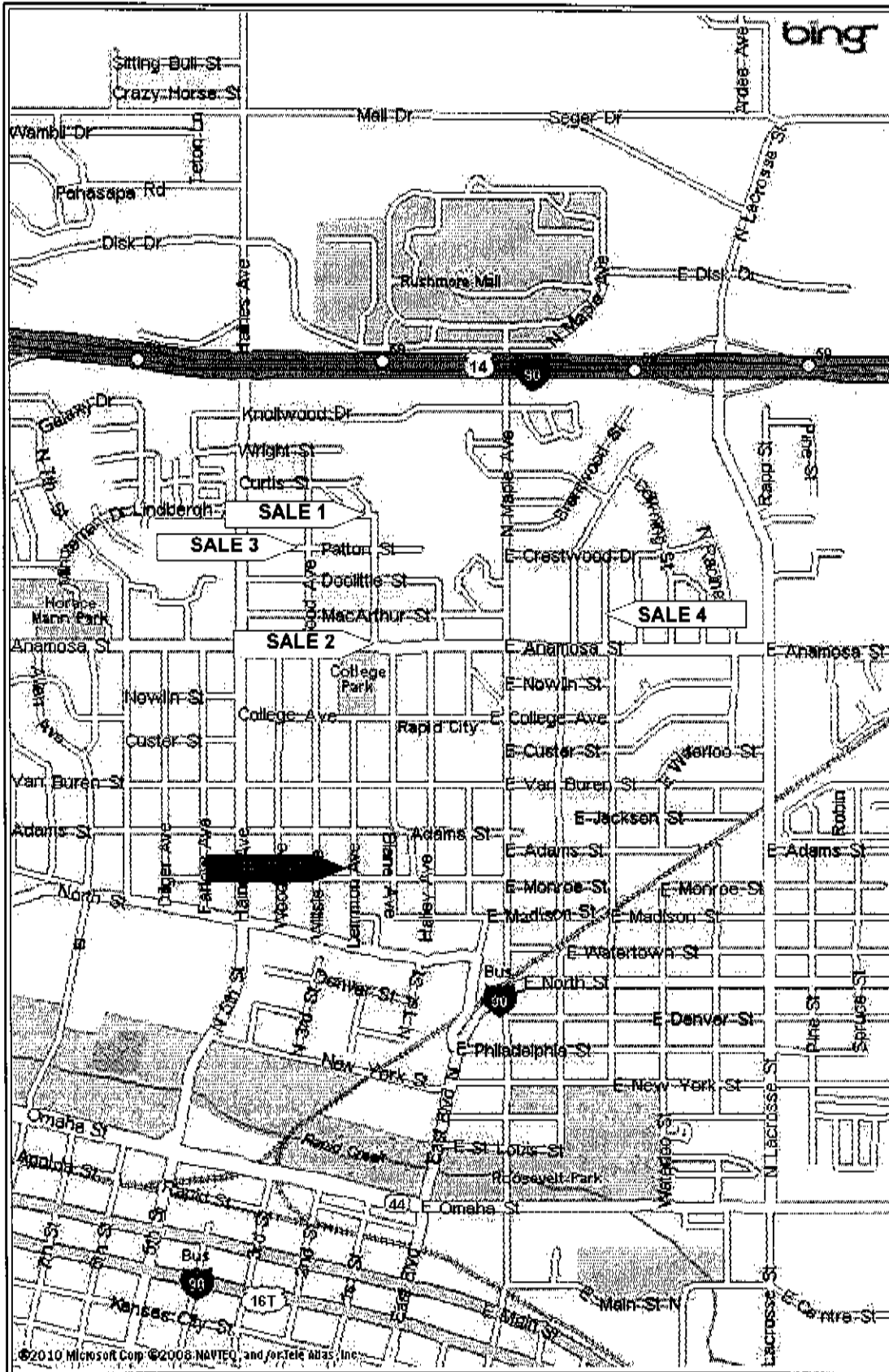
By studying the sales of similar comparable residential properties with value ranges as identified in the Neighborhood section of this report and discussions with individuals knowledgeable of current neighborhood trends in the subject area, the appraiser feels that the exposure time for the subject property is equal to the indicated Marketing Time identified in the Neighborhood section of this appraisal report.

Signature 	Signature _____	<input checked="" type="checkbox"/> Did <input type="checkbox"/> Did Not
Name <u>Jody Landgrebe</u>	Name _____	Inspect Property
Date Report Signed <u>7/3/2010</u>	Date Report Signed _____	
State Certification # <u>832CR-2010</u>	State <u>SD</u>	State Certification # _____
Or State License # _____	State _____	Or State License # _____

Homestead Appraisal Inc.
LOCATION MAP ADDENDUM

File No.
Case No. rcne,lotlemmon

Borrower NeighborWorks Dakota Home Resources
Property Address 706 Lemmon Avenue
City Rapid City County Pennington State SD Zip Code 57747
Lender/Client client-NeighborWorks Dakota Home Resources Deadwood, SD 57732



Homestead Appraisal Inc.
SUBJECT PHOTO ADDENDUM

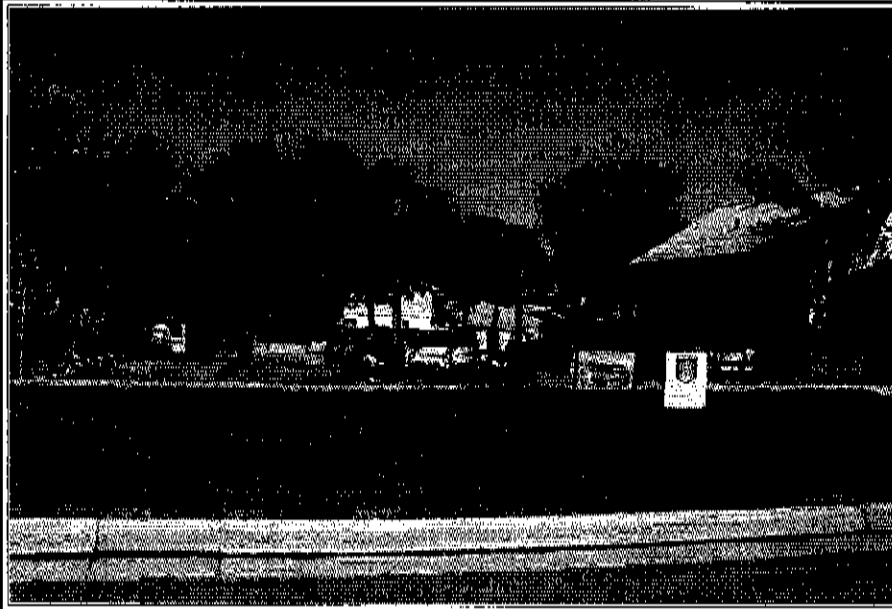
File No.
Case No. rcne,lollemmon

Borrower NeighborWorks Dakota Home Resources

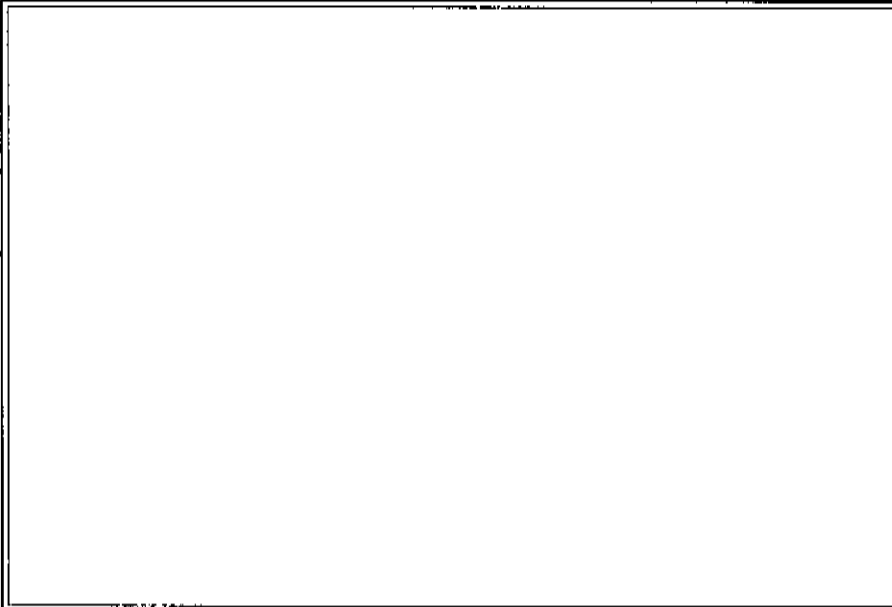
Property Address 706 Lemmon Avenue

City Rapid City County Pennington State SD Zip Code 57747

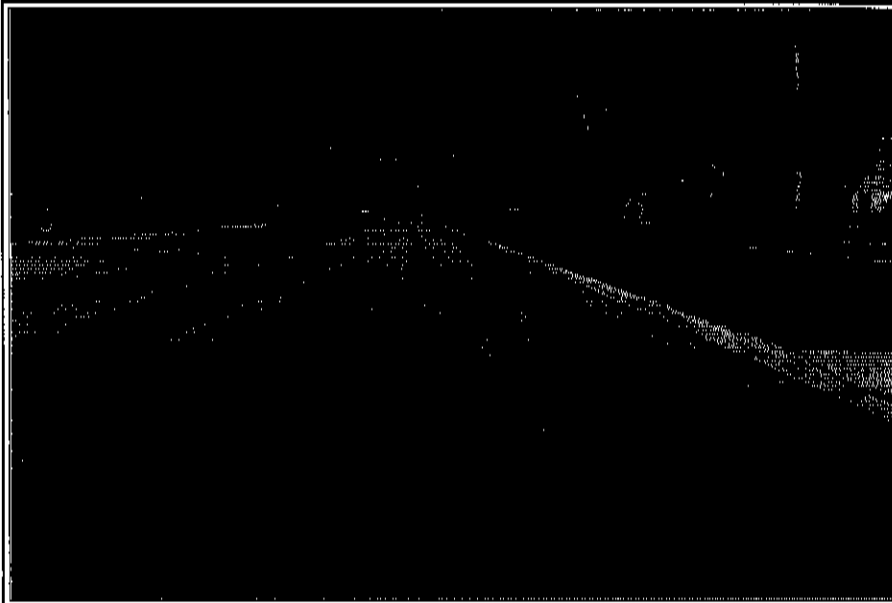
Lender/Client client-NeighborWorks Dakota Home Resources Address Deadwood, SD 57732



**FRONT OF
SUBJECT PROPERTY**
706 Lemmon Avenue
Rapid City, SD 57747



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

Borrower NeighborWorks Dakota Home Resources
Property Address 708 Lemmon Avenue
City Rapid City County Pennington State SD Zip Code 57747
Lender/Client client-NeighborWorks Dakota Home Resources Address Deadwood, SD 57732

South Dakota Department Of Revenue and Regulation

NO: 832CR-2010

This is to Certify that JODY A. LANDGREBE, of CUSTER, SD is duly licensed to appraise property in the State of South Dakota as a

STATE CERTIFIED RESIDENTIAL APPRAISER

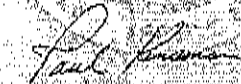
Highest Level of Residential

from the date hereof until September 30, 2010, unless terminated by the Department.

State-Certified Residential Appraiser classification applies to appraisal of any noncomplex nonresidential property with a transaction value of less than \$250,000 and any one-to-four-family residential property without regard to transaction value or complexity. The appraiser is bound by the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

IN WITNESS WHEREOF,

this document was signed by the official in charge of licensing and certification on September 21, 2009

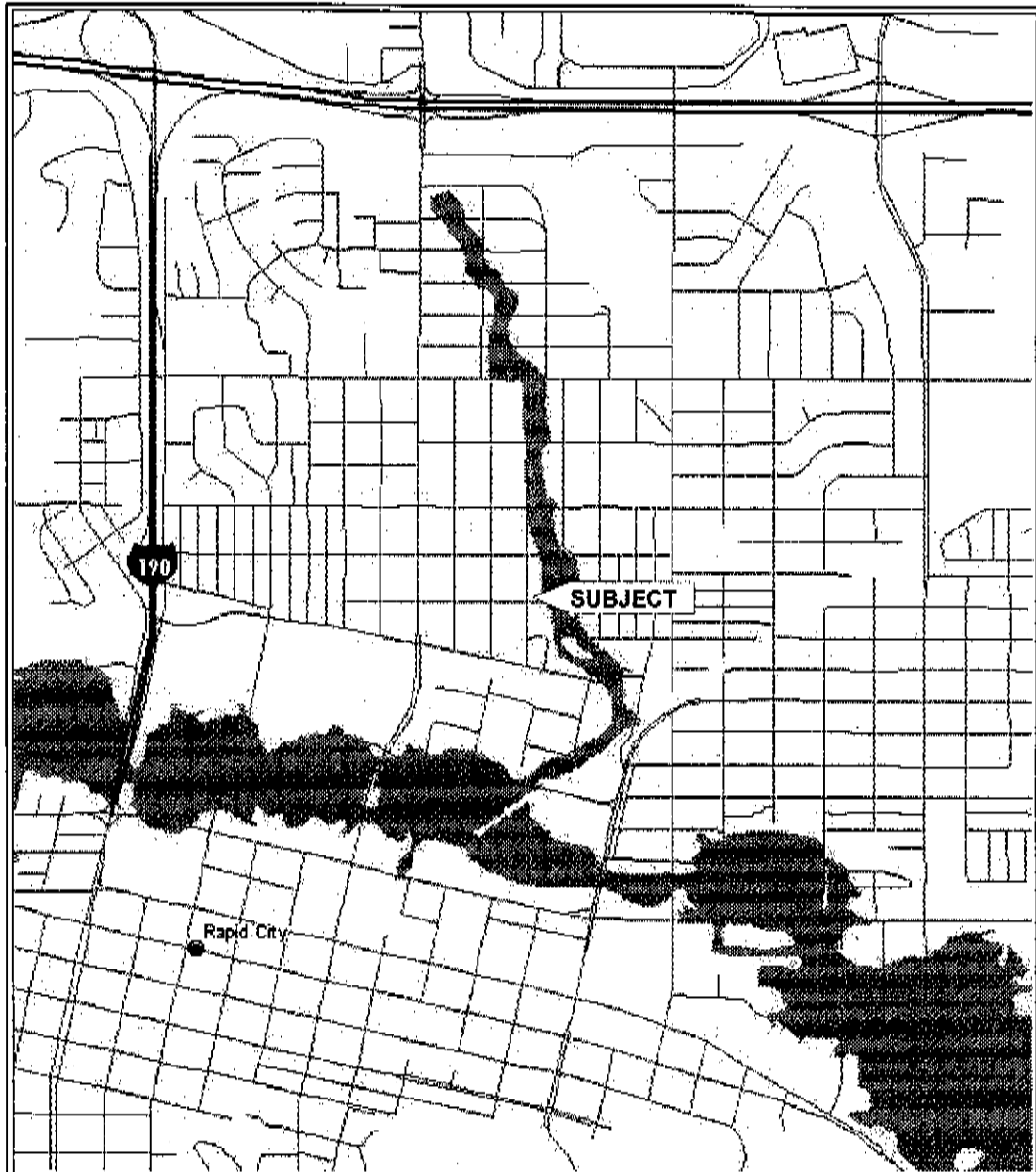


Secretary
SOUTH DAKOTA
DEPARTMENT OF REVENUE AND REGULATION

Homestead Appraisal Inc.
FLOOD MAP ADDENDUM

File No.
 Case No. rcne,lollemmon

Borrower NeighborWorks Dakota Home Resources
 Property Address 706 Lemmon Avenue
 City Rapid City County Pennington State SD Zip Code 57701
 Lender/Client client-NeighborWorks Dakota Home Resources Address Deadwood, SD 57732



Flood Map Legends

Flood Zones

- Area inundated by 500-year flooding
- Area outside of the 100 and 500 year flood plains
- Area inundated by 100-year flooding
- Area inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Area of undetermined but possible flood hazard
- Area not mapped on any published FEMA

Flood Zone Determination

SFHA (Flood Zone): **Out**
 Within 250 ft. of multiple flood zone? **Yes**
 Community: **465420**
 Community Name: **RAPID CITY, CITY OF**
 Zone: **X** Panel: **465420 0008F** Panel Date: **02/16/1996**
 FIPS Code: **46103** Census Tract: **0102.00**

This Flood Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the property information provided by the customer. That customer's use of this report is subject to the terms agreed by that customer when accessing this product. No third party is authorized to use or rely on this report for any purpose. NEITHER FIRST AMERICAN FLOOD DATA SERVICES NOR THE SELLER OF THIS REPORT MAKES ANY REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT ACCURACY OR COMPLETENESS OF THIS REPORT INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Neither FAFDS nor the seller of this Report shall have any liability to any third party for any use or misuse of this Report.